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2R865. Tax Commission, Auditing.

3R865-9I. Income Tax.

4R865-9I-7. Change of Status As Resident or Nonresident Pursuant to Utah Code Ann.

5Section 59-10-120.

6 ~~[A-]~~(1) Definitions.

7 (a) "AGI" means adjusted gross income, as defined by Section 59-10-103.

8 ~~[1-]~~(b) "Part-year resident" means an individual that changes status during the taxable
9 year from resident to nonresident or from nonresident to resident.

10 ~~[2-]~~ "FAGI" means federal adjusted gross income, as defined by Section 62, Internal-
11 Revenue Code.

12 ~~[B-]~~(2) The state taxable income of a part-year resident shall be a percentage of the
13 amount that would have been state taxable income if the taxpayer had been a full-year resident as
14 ~~determined~~ defined under Section ~~[59-10-112]~~ 59-10-103 . This percentage is the Utah portion
15 of ~~[FAGI]~~ AGI divided by the total ~~[FAGI]~~ AGI, not to exceed 100 percent.

16 ~~[C-]~~(3) The Utah portion of a part-year resident's ~~[FAGI]~~ AGI shall be determined as
17 follows:

18 ~~[1-]~~(a) Income from wages, salaries, tips and other compensation earned or received
19 while in a resident status and included in the total ~~[FAGI]~~ AGI shall be included in the Utah
20 portion of the ~~[FAGI]~~ AGI.

21 ~~[2-]~~(b) Dividends actually or constructively received while in resident status shall be
22 included in the Utah portion of ~~[FAGI]~~ AGI. Any dividend exclusion shall be deducted from the
23 Utah portion of ~~[FAGI]~~ AGI using the percentage of excludable dividends received while in
24 resident status, compared to the total excludable dividends.

25 ~~[3-]~~(c) All interest actually or constructively received while in resident status shall be
26 included in the Utah portion of the ~~[FAGI]~~ AGI.

27 ~~[4-]~~(d) All ~~[FAGI]~~ AGI derived from Utah sources while in a nonresident status, as
28 determined under Section 59-10-117, shall be included in the Utah portion of ~~[FAGI]~~ AGI.

29 ~~[D-]~~(4)(a) Income or loss from businesses, rents, royalties, partnerships, estates or trusts,
30 small business corporations as defined by Internal Revenue Code Section 1371(b), and farming
31 shall be included in the Utah portion of ~~[FAGI]~~ AGI:

32 ~~[1-]~~(i) if the activities involved were concluded, or the taxpayer's connection with them
33 terminated before or at the time of change from resident to nonresident status; or

34 ~~[2-]~~(ii) if the activities were commenced or the taxpayer joined them at the time or after
35 the change from nonresident to resident status.

36 (b) ~~[Otherwise, such income]~~ Income or loss that does not meet Subsection (4)(a) shall be
37 included in the Utah portion of ~~[FAGI]~~ AGI only to the extent the income or loss is derived from
38 Utah sources as determined under Section 59-10-117.

39 ~~[E-]~~(5) Moving expenses deducted on the federal return may be deducted from the Utah
40 portion of ~~[FAGI]~~ AGI only to the extent that they are for moving into Utah and within Utah.

41 ~~[F-]~~(6) Employee business expenses may be deducted from the Utah portion of ~~[FAGI]~~
42 AGI only to the extent that they pertain to the production of income included in the Utah portion
43 of ~~[FAGI]~~ AGI.

44 ~~[G-]~~(7) Payments by a self-employed person to a retirement plan that reduce the total
45 ~~[FAGI]~~ AGI may be deducted from the Utah portion of ~~[FAGI]~~ AGI in the same proportion that
46 the related self-employment income is included in the Utah portion of FAGI.

47 [H.](8) Other income, losses or adjustments applicable in determining total [~~FAGI~~] AGI
48 may be allowed or included in the Utah portion of [~~his FAGI~~] AGI only when the allowance or
49 inclusion is fair, equitable, and would be consistent with other requirements of [~~the act~~] Title 59,
50 Chapter 10, Individual Income Tax Act, or these rules as determined by the [~~Tax-~~
51 ~~Commission~~] commission.

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54 **KEY: historic preservation, income tax, tax returns, enterprise zones**

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